

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6413

BILL NUMBER: HB 1044

NOTE PREPARED: Feb 23, 2007

BILL AMENDED: Feb 23, 2007

SUBJECT: Hoosier Veteran License Plate Revenue.

FIRST AUTHOR: Rep. Cheney

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: GENERAL
 X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill:

(1) amends the definition of a Purple Heart recipient for purposes of the Purple Heart license plate and provides that a Purple Heart license plate may be issued for display on a passenger motor vehicle or a motorcycle; and

(2) eliminates the \$15 annual supplemental fee for each Hoosier Veteran license plate.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (Revised) (1) *Purple Heart License Plate for Motorcycles.* Prison Enterprise Network (PEN PRODUCTS), manufacturing and sales arm of prison-made products, charges the BMV for the manufacture of license plates. For the Purple Heart license plate for motorcycles, PEN PRODUCTS will charge the BMV \$2.20 per plate for single-color printing under the digital license plate system. The charge for multi-color printing on sheeting under the digital license plate system is \$2.70 per plate.

Design Charges: For a new design, there is a \$450 charge for set-up. There will be no charge for converting a design already in the digital design passenger plate to a motorcycle plate. If the design of the proposed motorcycle plate follows the same format as the current passenger plate, there will be no design charge.

The funds affected are the PEN PRODUCTS Revolving Fund and the Motor Vehicle Highway Account, which supports the operation of the BMV.

Background Information: Over the last three calendar years (CY 2002, CY 2003, and CY 2004), the BMV has issued, on average, 7,252 Purple Heart license plates annually. In CY 2004, the most recent year for which complete data are available, the BMV registered 149,921, up from 133,721 registered in CY 2003.

Explanation of State Revenues: (2) *Elimination of the \$15 Annual Supplemental Fee for Each Hoosier Veteran License Plate.* Eliminating the \$15 annual supplemental fee for each Hoosier Veteran license plate will mean an annual revenue reduction to the Military Family Relief Fund of approximately \$475,000 based on a three-year average of 31,536 in plate sales. The \$15 supplemental license plate fee was to have gone into effect on January 1, 2007.

Background Information: In CY 2005, there were 33,388 Hoosier Veteran license plates issued. Over the last three calendar years, 31,536 Hoosier Veteran license plates have been issued annually.

The Military Family Relief Fund is established to provide assistance with food, housing, utilities, medical services, basic transportation, and other essential family support expenses that have become difficult to afford for families of Indiana residents who are members of a reserve component of the armed forces or the national guard and were called to active duty after September 11, 2001.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected:

Information Sources: Bureau of Motor Vehicle plate sales for CY 2003, CY 2004, and CY 2005.

Fiscal Analyst: James Sperlik, 317-232-9866.